

The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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Government Studies Population Trends

National Resources Report Sees
No Sizable Increase After
the Next Fifty Years

TOTAL THEN 158 MILLION

Problems of Older Persons, Regional
Surplus, Education, and Health
Are Raised by Study

Nations have always regarded a steady growth in population as a healthy condition, one to be encouraged. So any country might properly be concerned when it is officially announced, as it was in the United States recently, that its population is likely to reach a standstill within the next 50 years. The federal government's National Resources Committee, in a long and detailed report, estimates that by 1980 or thereabouts this nation's population will have stopped increasing. At that time, says the report, there will be at the most 158 million people in the United States, and at the least, 138 million.

The Committee's findings are not surprising, of course. Census figures have shown that the birth rate has been declining steadily for several decades and that the number of births has decreased every year since the early 1920's. It is inevitable that sooner or later we should reach the point at which the number of births will be equaled by the number of deaths, and, with immigration being restricted, the population would reach a comparatively stable figure.

Population Growth

The National Resources Committee sees no cause for alarm in this development. The United States has experienced a tremendous growth in population during its lifetime. There were four million persons in this country when the first census takers made their rounds in 1790. By 1930, that number had increased more than 30 times to 123 million. It is hardly possible that the population could continue to grow at that rate. By the year 2000, one expert has estimated, the United States would be as crowded as China is now; by 2500, as many people would be packed into the United States as now live on the entire globe. Instead of being pessimistic over the changing population conditions, the report predicts that the present trend "opens up new possibilities of orderly progress."

"The transition from an increasing to a stationary or decreasing population may on the whole be beneficial to the life of the nation," states the report. "It insures the continuance of a favorable ratio of population to natural resources in the United States. Each citizen of this country will continue to have, on the average, a larger amount of arable land, minerals, and other natural resources at his disposal than the citizen of any of the countries of the Old World. This supplies the material basis for a high level of living, if these resources are used wisely and if cultural conditions are favorable to initiative and cooperative endeavor."

But there are many problems to be solved before the nation reaches that "high level of living." Most of those problems, directly or indirectly, are economic. "Security of the opportunity to work for all who are able and willing to do so is coming to be recognized as a major responsibility, perhaps the first responsibility, of civilized government," states the report. "Millions

(Concluded on page 8)



ELDERMAN IN WASHINGTON POST

Is There Room at the Top?

It has always been the practice of educators to encourage excellence among young people by dangling material inducements before their eyes. It has frequently been asserted that business success is a reward which almost inevitably comes to those who excel in honesty, industry, and thoroughness. When an aspiring youth has expressed discouragement over the apparent meagreness of opportunity for the exercise of his talents, he has been assured that "there is always room at the top."

The depression has played havoc with many of our theories as well as our material possessions, and this treasured educational adage concerning the assured place of those who effectively play the game in our industrial society appears to be one of the victims. It would be pleasant to believe that only the weak and undeserving suffer from our economic ills; that only the unprepared are wearing out the soles of their shoes looking vainly for employment. Here and there we find wishful thinkers who make themselves believe that such is the case. Those who are honest and well informed know better. They understand that social and economic conditions as well as individual characteristics play a part in determining one's lot in life. They know that in times of stress and industrial disorder the social conditions may constitute a determining influence.

Having made this concession to inexorable fact, we may, however, renew our confidence in the principle that opportunity is likely to knock at the door of the well prepared. Year after year, the old assurance holds good. Even in disordered times the most efficient are usually the last to be thrown into the discard. And even today many opportunities beckon to those who can prove their worth. There are employers today who are scanning the horizon for men and women of exceptional talent and training. But such persons are hard to find.

Genuine excellence is, indeed, rare. One reason is that few schools require it. Classes are organized with the average student in mind. He sets the standard. Anyone who meets the test of ordinary performance receives a satisfactory rating. The student who is exceptional in ability stops at a level of mediocrity unless he also is exceptional in vision and will. He may stand in the front rank, but it is a front rank of mediocrity. It would be a good thing if the young man or woman who has confidence in his talents should forget the achievements of his fellows. Let him cease thinking of himself as their competitor. Let him compete with himself, satisfied with nothing except the finest performance of which he is capable. If he wants to measure himself against others, let him read the biographies of great men and women. Then let him compare his efforts with theirs. There is no need to be a fanatic about work. One need not drive himself until he loses capacity for life's simple pleasures. But if there were less complacent dawdling in the schools there would be more downright excellence in the world. And most men and women really qualified for places at the top find those places open, even in times of industrial disarrangement.

Peace in Palestine Threatened by Riots

New Acts of Terrorism Reveal
Basic Conflict Between Jews
and Arabs of Holy Land

MENACE BRITISH SECURITY

Strong Action Taken to Quell Dis-
turbances as Position on Con-
tinent Remains Precarious

At a time when Great Britain's security and vital interests are threatened on a dozen fronts—in the Far East by the Japanese invasion of China, in Europe by the growing power and influence of Germany, in the Mediterranean by Italy and the possible repercussions of the Spanish civil war—the recent disturbances in Palestine assume unusual importance. As has so often been the case during the hectic dozen and a half years of the British mandate over Palestine, the deep hatred and antagonism between the Jews and Arabs have been fanned into open rebellion. Blood has again been spilled on the streets of the Holy Land and British warships and troops have been rushed to quell the uprising and restore order to a land which has played such a conspicuously important role in the annals of world history.

Jews and Arabs

It is no secret that Great Britain would like to wash her hands of the whole Palestine mess, if she could do so without bringing chaos to the country and endangering the interests of the various racial groups residing within its borders. When, at the close of the World War, she accepted a League of Nations mandate over the country, little did she foresee the strife and turmoil which would ensue in the years to come. It was assumed at the peace conference that no serious problems would arise. Yet the Palestine problem is as far from solution today as it ever was, and of all the mandated areas in the Near East and Africa, the experiment in the Holy Land has worked the least successfully. While most of the other regions placed under League mandates are now either independent nations or on the road to winning their freedom, Palestine seethes with unrest, and rebellions similar to the one which broke out a few days ago are constantly feared.

Nor is there likely to be an easy and satisfactory solution of the complex problem of Palestine. The principal difficulty arises from the conflicting aims and aspirations of the racial groups which make up the population. Both Arabs and Jews feel that they have legitimate rights to domination of the Holy Land. The Jews look to Palestine as their ancestral home, the promised land where they may, after generations of exile and oppression, establish themselves as a free and independent people. The Arabs entertain similar ambitions, hoping to establish themselves as the rulers of Palestine and to add that country to the Arab-dominated nations of the Near East. They are resentful of the increasing power and growth of the Jews, regard the establishment of the Jews in Palestine as an invasion of their territory and a violation of their historic rights.

Much of the difficulty arises from the fact that contradictory and irreconcilable pledges were made to both Arabs and Jews during the World War. The Jews' claim to domination of the Holy Land is based

upon the famous Balfour Declaration of November 2, 1917 by the terms of which Great Britain promised to facilitate the establishment of a National Jewish Home in Palestine, thus fulfilling the centuries-old dream of the Jewish people for a land which they could call their own. This pledge was also incorporated into the mandates commission which the British obtained from the League of Nations, and the general objective was endorsed by the United States.

Although resting on a less solid legal base, the Arab claim to Palestine springs from similar promise of the British made during the World War. In October 1915, Sir Henry McMahon, then high commissioner of Egypt, promised in a letter to a certain Arab leader that Britain would assist the Arabs to win their independence if they would revolt against the Turks who then ruled a large section of the Near East. The British claim that the McMahon letter did not include the territory west of the Jordan and thus did not cover Palestine.

Royal Commission

However valid or invalid may be these conflicting claims, the fact remains that both Arabs and Jews regard the Holy Land as theirs and are determined to see the realization of their national ambitions. It was in an attempt to work out a satisfactory solution to the thorny problem that the British government in 1936 sent a Royal Commission to Palestine to study the problem from all angles and to make a report recommending a solution. The Royal Commission completed its investigation and made its report a year ago. The principal recommendation was that Palestine



THE NEW PALESTINE
Row after row of modern apartment houses have been built in Tel Aviv, the Jewish metropolis.

FALCON PHOTO

and the Arabs of Palestine. The Arabs in particular have been intransigent in their opposition to the plan; and while the Jews have shown a willingness to negotiate with the British over details in the hope that a program more in keeping with their national ambitions may be worked out, it is highly improbable that an acceptable formula will be worked out. Nor has the plan met with the support of parliament which was expected. When the Commission's report was published, it was expected that an overwhelming majority of the members of parliament would endorse it. But leaders of all parties opposed the plan. There was a widespread feeling that Britain was trying to divest herself of responsibility in Palestine. Thus there remain many obstacles in the way of execution of the partition plan. It must overcome the parliamentary difficulties and must then receive the approval of the Council of the League of Nations.

Friction Increases

Meanwhile, a second commission is studying in greater detail the question of the exact boundaries for the proposed partition. It is in Palestine making a thorough investigation with a view to working out a solution more acceptable to all parties and groups directly concerned. There is a fairly general feeling that the divisions proposed by the Royal Commission in its report would lead only to greater disturbances. For one thing, it would leave within the confines of the Jewish state almost as many Arabs as there are Jews; would leave a large number of Jews under the authority of Great Britain, and many Jews in the proposed Arab state. As Viscount Samuel, former high commissioner of Palestine, wrote in a recent article in *Foreign Affairs*: "The Commission seemed to have picked out all the most awkward provisions of the peace treaties of Versailles, and to have put a Saar, a Polish Corridor, and half a dozen Danzigs and Memels into a country the size of Wales."

Friction between the opposing racial groups in the Holy Land has been intensified by world developments of the last few years. Persecution of Jews in many European nations, particularly Germany and more recently Austria, has caused a veritable flood of Jews into Palestine as a land of refuge from ruthless oppression. Between the middle of 1933 and the summer of 1937 the Jewish population of Palestine had practically doubled.

During the postwar period, the whole face of Palestine has been altered, largely as a result of the attempts of the Jews to realize their dream of a National Home and a free nation. The Zionist Movement had striven for a third of a century to establish Jewish colonies in the Holy Land, but met with little success before the World War due to the constant opposition of the Turks. The movement received a great impetus after the war and accomplished miracles in Palestine. As Viscount

Samuel describes the achievements in the article already referred to:

Zionist Movement

Year after year, with immense energy, the Zionists collected funds from their co-religionists all over the world. They bought land, trained young men and women as colonists, organized emigration from the crowded and often unfriendly countries of Europe to the promised land, so old and so new, that was at last opened to them. Although many of the leading Jews in all countries were doubtful about the enterprise, or even opposed to it, the Jewish people as a whole, now more numerous in the world than ever before, gave Zionism enthusiastic support. They felt that in their dark history there had once more been kindled a shining light.

During the 17 years that have since elapsed a considerable part of the cultivable land of Palestine has passed into Jewish ownership, bought, often from absentee landlords, at prices many times its previous value. The Jewish population of Palestine has risen from some 60,000 to over 400,000. Voluntary contributions have been collected all over the world, largely in small amounts from poor people, to a total of 70 million dollars. This money has been spent on land purchase, house building, the training and transport of immigrants, the erection of schools and hospitals, the preparation of the land for cultivation and a score of other purposes. In addition there has been invested more than 300 million dollars in industrial and agricultural enterprises.

The Jewish influx since the war has truly made the desert blossom as the rose. Tel Aviv is a model, up-to-date city, with a population of 150,000, a tenfold increase since 1922. There are more than 200 agricultural settlements. A progressive system of social services has been established and rapid strides along many other lines, including education, literature, and other cultural fields have been made.

The Jews have not been alone in sharing the benefits of this economic expansion in Palestine. Jewish enterprise has resulted in higher standards of living for the Arab community. As summed up by a recent *Foreign Policy Report*:

The success of the National Home has been of material assistance to the Arabs of Palestine. They have devoted a sizable share of the profits from the sale of land to the planting of citrus groves and to general agricultural improvements. Funds have been invested in new Arab industries. The rapidly increasing population has not only enjoyed the benefits of Jewish reclamation and health enterprises but has in part been absorbed in the citrus areas and the towns, where wages are high. Government services for the improvement of social and agricultural conditions, made possible by the Jewish contribution to public revenue, have raised

the standard of life to a point far above that of other Arab countries.

Arab Resentment

Many Arabs realize that they are better off as a result of the Jews' presence in the Holy Land. Nevertheless, they would much rather be deprived of the benefits if, by so doing, they could be rid of the Jews as well. The Royal Commission sized up the Arab position in the following language: "You say we are better off; you say my house has been enriched by the strangers who have entered it. But it is my house, and I did not invite the strangers in, or ask them to enrich it, and I do not care how poor or bare it is, if only I am master of it."

So basic is the conflict between the Jews and the Arabs and so irreconcilable are the objectives and ambitions of each that a satisfactory solution seems next to impossible. The Jews are not going to retire from Palestine after having worked so hard and made such great sacrifices to realize their dream of independence and a National Home. Nor are the Arabs going quietly to retire from a land which they regard as historically theirs. The mandate experiment has admittedly failed to bring peace; the proposed partition has been rejected; and any compromise seems next to impossible. Thus the land is constantly subjected to waves of terrorism and serious rioting.

British Embarrassment

The present disturbances are the more ominous in view of the unsettled world conditions. Britain's position is already extremely precarious as a result of developments on the European continent and in the Far East. Prolonged and serious disturbances in Palestine would further endanger her position and weaken her effectiveness. The whole Near East is seething with unrest as the tide of Arab nationalism rises to new heights. The Arabs of Palestine look to their brothers across the borders for assistance in their struggle for independence. Were England to become seriously involved in difficulties elsewhere, there is no telling what explosion might take place in Palestine and throughout the Arab world.

There seems to be little doubt that the British will be able to quell the new wave of terrorism. They have already acted with firmness in dispatching additional troops and military equipment to the Holy Land. But however successful they may be in this immediate venture, they will not have removed any of the causes of friction between Jew and Arab. Those troubles will last until a solution can be found to the central Palestinian problem, and unfortunately no workable solution is now in sight.



COURTESY NEW YORK TIMES
THE PROPOSED DIVISION OF PALESTINE



W. W.
RIOTS BETWEEN JEWS AND ARABS HAVE DISTURBED
THE PEACE OF PALESTINE

should be partitioned three ways, establishing an independent Arab nation, an independent Jewish nation, and a region over which Great Britain would retain control, including Jerusalem, Bethlehem, Nazareth, and a corridor extending to the sea (see map).

The Royal Commission realized that the proposed partition would fall short of satisfying the aspirations of either Jews or Arabs. "We cannot—in Palestine as it now is," the report declared, "both concede the Arab claim to self-government and secure the establishment of the Jewish National Home. Manifestly, the problem cannot be solved by giving either the Arabs or the Jews all they want. The answer to the question, 'Which of them in the end will govern Palestine?' must surely be 'Neither.' We do not think that any fair-minded statesman would suppose, now that the hope of harmony between the races has proved untenable, either that Britain ought to hand over to Arab rule 400,000 Jews, whose entry into Palestine has been for the most part facilitated and approved by the League of Nations; or that, if the Jews should become a majority, a million or so of Arabs should be handed over to their rule."

But it is by no means certain that the partition plan will be adopted. In the first place, the proposal raised a wave of criticism and opposition among both the Jews

AROUND THE WORLD



COURTESY NEW YORK TIMES
A YEAR OF WAR IN CHINA
The shaded portions on the map show the territory now controlled by the Japanese.

China: It was a little more than a year ago that a few shots fired at some Japanese soldiers near the Chinese city of Peiping started the Japanese military machine rolling over North China. In that first year of war an area twice the size of France and Germany was invaded, an area larger than France reduced to ruin, and more than 40,000,000 people were forced to flee their homes. On both sides, about 1,500,000 soldiers were killed, and about as many Chinese civilians. The richest region in China is in ruin. War, pestilence, and famine stalk the countryside, and each day sees the death toll mount and thousands more drop in their tracks from disease or starvation. Japan, at the end of the first year, is victorious. Outwardly, anyway. She has half a million troops in China occupying every province north of the Yangtze, most Chinese ports, and specifically a larger area than has been held by any foreign people since the days of the Great Khans, centuries ago.

But the Chinese have betrayed no sign of weakening. Forced steadily back, they have each time consolidated their forces and Japan has unstrung her own. They have paid a terrible price, but they still hold the west and the routes to Russia, and the south. Their army is still intact, and still a match for the Japanese. They have enjoyed considerable success in utilizing small and mobile bodies of troops in harrying guerrilla raids against Japanese communications and within Japanese lines. These raids have been so many and so successful as to keep the invaders in a state of jitters day and night. Moreover, there has been built up within China a unified spirit and a will to resist, sharpened by a cold fury against everything Japanese.

The cost of this war has not only been China's. Japan has shipped half of her gold abroad and at home her economic structure is being strained to the very limit of its capacity. Within the year, Japan has become completely totalitarian, like Germany. More and more war industries have replaced consumers' industries with the result that the standard of living, already low, has sagged constantly lower. Imports consist almost entirely of machine tools and supplies for the war industries. Cotton imports have been shut off. Taxes have soared and the national debt, having doubled in the first year of war, promises a similar increase for the coming fiscal year.

Even Japan's military position today is not an altogether happy one. The spring campaign in cen-

tral China was swamped by the Yellow River floods, and the present drive up the Yangtze towards Hankow is moving very slowly. Gone are the dreams of a quick victory, and gone is much of Japan's military strength. It is not fear of the Chinese that gives Japanese statesmen so many sleepless nights, but fear of the rest of the world. As Japanese armies become more and more hopelessly bogged down in the fields of China and Japanese finance shows signs of strain, what will another year of this do to Japan? She is committed to victory as are the Chinese, so she must go on and on, extending her lines further and further and sending more and more troops. In the meantime, Japanese statesmen cast quick and nervous glances towards the north and northwest where, in the words of George Fielding Eliot, the Soviet Red Army in ominous silence "broods along the Amur and in the outer reaches of the Gobi desert, watching—waiting."

* * *

Syria: Turkish troops entered the Sanjak (district) of Alexandretta recently for the first time since the World War. As they marched through the crowded streets of this, the best seaport on the Syrian coast, they were met with wild cheers from fellow Turks, the salutes of French troops, indulgent smiles from French officials, while crowds of Syrian Arabs looked on with ill-concealed despondency. The Arabs, who constitute the majority of the population, felt that they had been made the victims of power politics.

France, to whom Syria had been mandated at the close of the war, recently had announced her intention of withdrawing from Alexandretta. A plebiscite would be held to determine who should govern. By all signs and portents, the control would go to the Syrian Arabs. But the Turkish government had other ideas. It intimated that rather than see Alexandretta go to the Arabs, it would send in troops to supervise elections, as Hitler did in Austria. The Turks wanted the city not only for its

value as a port, but because it was so near the Turkish border that it might offer some other power a base for operations against Turkey.

In this situation, France saw her chance. French and Turkish officials conferred for several weeks. A treaty was drawn up and signed, which, as observers had predicted, went beyond the Sanjak. It provides that the French and the Turks shall jointly administer the Sanjak. Its provisions, although carefully worded, also imply a Franco-Turkish working agreement in the eastern Mediterranean and the possibility of a military alliance in the future. The French are pleased for they have signed up a new ally; the Turks because in effect they now occupy Alexandretta. Only the Syrian Arabs are despondent.

* * *

France: As the result of an appeal made by the United States last March, representatives of many nations met last week in Evian, France, to consider what can be done to aid political refugees—a problem that grows with each day that passes. Although the conference was faced with the matter of refugees of all countries, the pressing and immediate problem was that of the German Jews who are being stripped of all possessions and forced out of the country. That there may be as many as 1,000,000 of these impoverished people turped out bewildered and helpless upon a hostile world presents a problem too large for solution by any one country.

As a traditional asylum for the victims of political persecution, the United States took the lead at the parley, and delegates elected as chairman Myron C. Taylor, former chairman of the board of the United States Steel Corporation. Mr. Taylor asked for a practical, constructive plan and positive action upon it, suggesting a permanent international commission. But the response of other nations was feeble. France was frankly pessimistic. The British offered little in the way of practical help. Of the large nations, only the United States showed any willingness to act, and of the small, Mexico, Peru, and the Dominican Republic were the only ones to offer to try and absorb some of the refugees.

The problem was complicated by turbulent conditions in Palestine (discussed more fully elsewhere in this issue) which discouraged Jewish emigration in that direction, at least for the present. Also, the conference found itself at a disadvantage in not knowing how many refugees there will be. There are about 1,000,000 Jews in Greater Germany, and it is known that Hitler wants them all to go, and wants all their possessions confiscated. But how soon he expects to complete despoiling them is a mystery.

The Evian delegates felt that if it were done over a 10- or a 20-year period, the exiles could probably be cared for. But if 1,000,000 are cast out in the next few years the result will be nothing short of a catastrophe. England, apparently anxious not to offend Hitler, suggested that the only thing to do was to try to persuade the Nazis to cease persecuting the Jews.

* * *

Soviet Union: The confusion in the Soviet Union caused by charges and countercharges of Trotskyism, wrecking, sabotage, and espionage, has quieted down with recent months as the waves of purges have subsided and come to a halt. Apparently secure in the feeling that most, if not all, of his enemies are now out of the

way, Dictator Josef Stalin and his associates have gone to work to bring the country back to normal.

This year's grain crop, predicted as a partial failure, due to unfavorable weather conditions, is turning out better than had been expected, and it is now estimated that it will produce as much as 150,000,000 tons, or even more. A new Five-Year Plan, the third of its kind, is being launched, and a huge state bond issue launched to finance it is reported to have been oversubscribed. Independent reports indicate that industrial conditions are not as bad as last winter's charges of wrecking and sabotage led many people to believe.

The retail industry is still a blot on Russian life. The reasons for this are obscure, but the results are plain to all. Stores scheduled to be built years ago remain unbuilt, stores in operation are unable to meet the demands of customers, although it is said that there are enough goods for all. The trouble is that they have



H. & E.
TO HELP REFUGEES

Myron C. Taylor, head of the United States' delegation to the conference in France considering the plight of refugees, was elected chairman of the meeting.

been badly distributed—too much to one store, and too little to another. The government is now launching a drive to clean up the retail industry.

* * *

Brazil: Recent developments in Brazil indicate that the German-Italian immigration trend has reversed itself and begun to flow in the opposite direction. Thousands of Germans and Italians are leaving for home, and from the state of Rio Grande do Sul alone, 7,000 Germans have booked passage back to their mother country. In the German press there is considerable indignation. The *Berliner Tageblatt* places the blame upon "North American agitation" which is allegedly trying to "incorporate Brazil into Roosevelt's anti-Fascist front and to strike at German commercial competition."



BIRTHDAY PARTY

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DRAFTING PLANS FOR PUBLIC WORKS
Government architects are working at full speed to draw plans for the new PWA building program.

Deep-Sea Fishing

The nation's best-known fisherman, Franklin D. Roosevelt, sailed from San Diego day before yesterday on the cruiser, *Houston*, headed for the waters of the south Pacific and several days at his favorite sport. Eleven days ago the President left Washington by train. He crossed the southern part of the country, stopping en route to make formal speeches and informal talks to the large crowds which always gather for a presidential appearance. He carried out his intention to support New Deal candidates in the state primaries along the way, by publicly praising the records of Senators Bulkley of Ohio, Barkley of Kentucky, and Thomas of Oklahoma, but he did not take as decided a stand as had been expected.

After the fishing trip is over, the *Houston* will carry the President through the Panama Canal and up the Atlantic coast to Georgia. On his way back to Washington by rail, the President may resume his political activities in Georgia and South Carolina, where two of the New Deal's most bitter foes, Senators George and Smith, are running for re-election.

The South

"It is my conviction," wrote President Roosevelt recently, "that the South presents right now the nation's No. 1 economic problem—the nation's problem, not merely the South's. For we have an economic unbalance in the nation as a whole, due to this very condition of the South."

The President was writing to a group of 23 southerners, called into conference in Washington by the National Emergency Council, to draft a statement of conditions in the South and to suggest some means to remedy those conditions. In his letter to them, President Roosevelt called attention



H. & E.

AERONAUTICS ADMINISTRATOR

Clinton M. Hester was recently appointed to administer the Civil Aeronautics Act, regulating air commerce, with the help of a five-man board.

to the "neglected resources of land and water, the abuses suffered by the soil, the need for cheap fertilizer and cheap power; the problem presented by the population itself . . . the problems presented by the South's capital resources and the absentee ownership of those resources and problems growing out of the new industrial era and, again, of absentee ownership of the new industries."

"There is the problem of labor and employment in the South and the related problem of protecting women and children in this field. There is the problem of farm ownership, of which farm tenantry is a part, and of farm income. There are questions of taxation, of education, of housing, and of health."

All these are to be studied by the conference, then a report is to be made to the President. This report will probably be made public soon.

Politics on the Air

Rival candidates for public office must be given equal and impartial treatment by radio stations according to rules laid down recently by the Federal Communications Commission. No radio station is required to give any candidate an opportunity to broadcast, says the FCC, but if one candidate is allowed to use the station's facilities, his opponent must be given the same opportunity. If the station charges one candidate for broadcasting time, it must make the same charge to other candidates. No station has the right to censor any of the speeches which are broadcast.

The rules apply only to the candidates themselves, however. There is nothing in them to prevent the supporters of one candidate from buying up all the available time to use for their man, and there is nothing to force the station to give the other group a chance to broadcast. Nothing is found in the rules to help the candidate whose campaign fund does not include as much money for the purchase of broadcasting time as does that of his rival.

A Justice Dies

The recent death of Justice Benjamin N. Cardozo removed one of the Supreme Court's most highly respected members. Although Justice Cardozo served on the high court only five years, he distinguished himself as a brilliant and progressive interpreter of the Constitution. In that respect, he merely added to the record which, as a member of the New York Supreme Court for 20 years, he had already established.

Young Benjamin Cardozo graduated from Columbia University in 1889. He wanted to enter the legal profession, but he had an intense dislike for the corrupt political machinery which exerted such a tremendous influence upon the courts. Instead of going to law school, he spent two years earning a master's degree and studying law independently. In 1891 he was admitted to the bar. He practiced law until 1913, avoiding political alliances at all times, and was then appointed to the state supreme court. In 1927 leaders of both political parties nomi-

nated him as their candidate for chief justice—a high compliment to his record and abilities. One of President Hoover's last acts as chief executive was to appoint Benjamin Cardozo to the federal Supreme Court. In the loose classification which is commonly made of Supreme Court members, Justice Cardozo was a liberal.

Aviation Authority

The personnel of the Civil Aeronautics Authority, the government agency created by Congress to regulate civil aviation, was announced recently by President Roosevelt. Clinton M. Hester, former assistant general counsel in the Treasury Department, will serve as administrator. The five-man Board is to be headed by Edward J. Noble, chairman of the board of directors of the Life Savers Corporation and an aviation enthusiast for many years. The other four members are Harlee Branch, former second assistant postmaster general in charge of air mail; Grant Mason, vice-president of Pan-American Airways; Robert Hinckley, assistant administrator of WPA, and Oswald Ryan, general counsel for the Federal Power Commission.

Two of the three men who will make up the Air Safety Board were also selected. They are Thomas O. Hardin, a veteran pilot now connected with American Airlines, and Sumter Smith, formerly with the Bureau of Air Commerce.

Counting Cars

Another job has been found for the versatile "electric eye"—that of counting the cars which use certain highways. Traffic engineers have found such surveys very valuable in making traffic regulations and in planning highway systems. But few state highway departments have enough money to hire persons to make all the surveys which are needed. So the Bureau of Public Roads, working with state agencies, devised a mechanical tabulator using the photoelectric cell.



It consists of two beams of infrared lights, crossing the highway within a few feet of each other. When both beams are broken simultaneously, as when a car passes, the "eye" registers. A man walking past the gadget breaks only one beam at a time, so it does not operate.

Nature in the Raw

Eighteen miles north of St. Augustine, Florida, the world's largest aquarium is being completed. There are two pools in the aquarium—one circular, 75 feet in diameter and 11 feet deep; the other an irregular rectangle 100 feet long, 40 feet wide, and 18 feet deep.

The unusual feature of the aquarium is that the specimens are not separated from each other in tiny compartments. Although many of them are natural enemies, they are all thrown in together to prey on each other and to fight for survival. Large and small fish, porpoises, sharks, penguins, loggerhead turtles, and many other sea-dwellers live in the pools much as they lived in the ocean itself.

All around the tanks there are enclosed galleries with 200 portholes through which sightseers and scientists may watch the life



MYSTERIOUS FIGURE SEEN NEAR THE PRESIDENTIAL TRAIN
HERBLOCK IN WASHINGTON NEWS

processes as they are carried on within. The portholes were designed especially so that cameramen may take pictures through them; the aquarium is in reality an underwater studio.

TVA Tour

Ten members of Congress toured the Tennessee Valley last week, investigating the TVA. Covering about 800 miles in seven states by auto and river boat, the congressional committee visited dams, power plants, rural electrification cooperatives, phosphate factories, soil conservation and reforestation projects, and a model community (Norris Town) to see firsthand what the TVA has done. This week the committee is scheduled to begin hearings in Knoxville, which will probably be continued through the summer. In the fall, the committee will return to Washington for more questioning of witnesses and more study of reports, maps, and charts, before it makes



its report to Congress in January.

The committee has a big job on its hands, and one which is highly important. If its report indicates that the TVA has been well planned and wisely administered, the prospects for similar government agencies in other great river valleys of the nation will be bright. But if the report shows that the TVA has been unfair to private power companies, that it has been extravagant and poorly handled, then the President's plan to build other "TVA's" will suffer.

Thus far the committee has done little but question Arthur E. Morgan, former chairman of the TVA who was ousted by President Roosevelt last spring, and board members

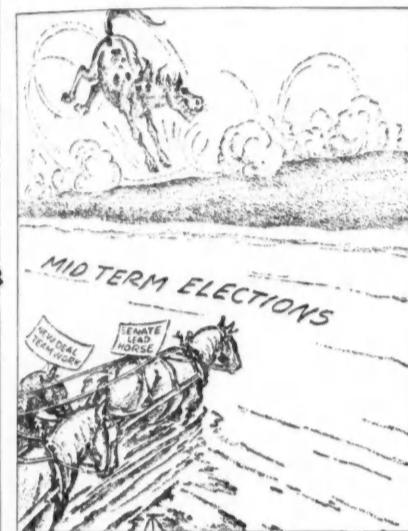
The United States

Doing, Saying, and Thinking

Harcourt Morgan and David Lilienthal. A. E. Morgan was dismissed last spring when he made charges against the other two members, then refused to back them up when called on to do so by the President. Now he is suing the government for his salary since March on the ground that the President had no right to remove him from office.

Milk Cooperative

New York's milk cooperative, which has been operating as an experiment for a month, is ready to launch out on a more ambitious program. Thus far, the cooperative has been quite successful, according to its directors. It sells milk at 150 different stores throughout



NO TIME TO BREAK IN A NEW HORSE
PAGE IN LOUISVILLE COURIER-JOURNAL

the city; it has about 5,000 customers a day who buy more than 7,000 quarts of milk.

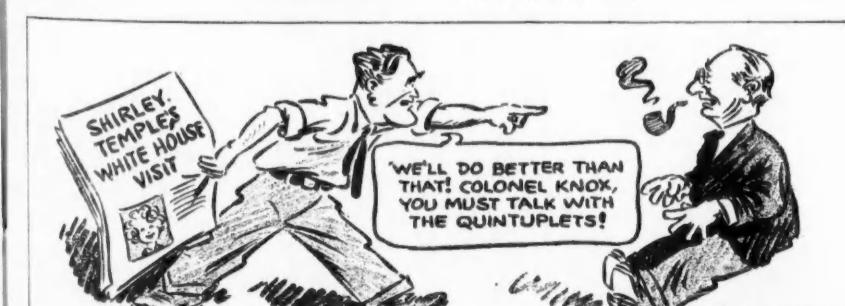
The cooperative was started by a group of people who thought that milk prices in New York City were too high. The cooperative sells milk at the lowest price charged by any other company—at present, eight cents a quart for Grade B milk. The cooperative directors believe they can meet expenses at this price and also pay dividends at the end of the year to customers and to the farmers who supply the raw milk. If so, the cooperative claims, it will have proved that the big dairy companies are charging too much for their milk.

Rail Fares Rise

Eastern railroads (in general, those which operate east of Chicago and north of Huntington, West Virginia) have been given permis-



BRUCE BARTON URGES REPUBLICANS TO COPY ROOSEVELT "MAGIC"
HERBLOCK IN PONCA CITY NEWS



BRUCE BARTON URGES REPUBLICANS TO COPY ROOSEVELT "MAGIC"
HERBLOCK IN PONCA CITY NEWS

sion by the Interstate Commerce Commission to raise their rates for passengers traveling in the coaches from 2c to 2½c a mile. The increase is for "experimental" purposes only; it is to remain in force for 18 months, and then the ICC will study its effects and decide whether or not to continue the higher rates.

When it announced its decision, the ICC said that it is doubtful if the increase would help the railroads much. Several commissioners believe that travelers will ride buses instead of paying the higher railroad fares. But, the ICC decided, the railroads are in such bad financial condition that "every reasonable opportunity should be afforded to permit them to increase their revenues."

The railroads themselves believe that the higher rates will bring them about 30 million dollars a year more revenue. They do not believe that the half-a-cent increase will turn much business to competitors. And, they say, a great many travelers will now ride in Pullmans since the difference between Pullmans and coaches is less.

Were We Guinea Pigs?

Six years ago 55 seventh-graders started school on the Ohio State University campus. They were the first class in the University's progressive high school. Last spring they were graduated. Now they have written a book, published by Henry Holt & Co., in which they give their views on progressive education.

Because so many new theories were being tested on them, the students called their book, "Were We Guinea Pigs?" They admit that perhaps they were. But they are not sorry for it, they say. They feel that their education has been more complete because of the progressive methods used in the school. They like especially the opportunity which they had to take part in planning their work. Of course, they have criticisms to make, and they are not hesitant about making them. The book is entirely the work of the students—they took the photographs and made the drawings for the illustrations.

The class itself is slightly above the average in intelligence, according to tests, and also slightly above the average in family income. But on the whole, it is fairly typical of the thousands of high school classes which were graduated last spring, except for the difference in educational methods by which it was taught.

Low-Cost Homes

Southbridge, Massachusetts, is doing something to provide its people with well-built but cheap homes which they may purchase instead of rent. Sponsored by the Firesafe Housing Corporation, in cooperation with several other business firms, 50 five- and six-room houses are to be constructed. They will sell for \$4,000 or less, and will include from 8,000 to 10,000 feet of land. The Southbridge family which buys one of these homes will pay for it at the rate of \$30 a month. At present, the average Southbridge workingman pays from \$40 to \$50 a month to rent an apartment.

The homes will be constructed of concrete cinder blocks. They may be finished as any other houses, with stucco, shingles, clapboards, or paint. Concrete construction was chosen over precast steel and prefabricated board because, it is claimed, there is less depreciation. There is no danger from termites and little chance of fire.



MAMMOTH HOT SPRINGS TERRACE IN YELLOWSTONE PARK
(From an illustration in "Yellowstone Through the Ages," by Arthur D. Howard. Columbia University Press.)

NEW Books

ALTHOUGH some of the friendliness displayed between Canada and the United States may appear to some to be no more than a fine show of diplomacy for public effect, actually there is much more genuineness to it than that. For as George M. Wrong points out in "The Canadians—the Story of a People" (New York: Macmillan, \$3.50), the parallel progress of the two nations has been advanced by the absence of any serious or prolonged hostility between them. True, there have been occasional border fights, such as the skirmishes between Irish immigrants to the United States and the more loyal British Canadians across the line. But here the issue involved the desire of the rebellious Irish to take a crack at England, even if the blow were far removed from the scenes of discontent on the British Isles. Other altercations occurred during the American war for independence and the War of 1812.

Smaller incidents have also strained otherwise cordial relations, sometimes engendering a fear in the Canadians that their southern neighbor had a long-established plan to take over all the North American continent. But as Professor Wrong points out, these irritations have occurred less and less frequently, until today there is an accord between the two nations which is both exemplary and promising. As an expert student of Canadian affairs, he sees a profitable future both for the continuation of these amicable relations and for the Canadian nation and her people.

With supporting facts, he shows that while the United States made her most astonishing growth during the nineteenth century, Canada will likely be called the fastest developing country of the twentieth century. Canada makes no claim to self-sufficiency. But she produces more than enough food for her people. Her vast mineral resources remain yet to be measured. Her forests furnish timber for building and pulp for newsprint. Professor Wrong cites further such facts to show what may be in store for the Canadians.

In this popular history of the nation, which Mr. Wrong hesitates to call a textbook, is the story from Canada's beginnings as a territory, fought over by the French and the British, to the present scene which sees her as an independent nation, bound to England only by ties of tradition and loyalty to the crown. Since 1926, she has exercised her rights as a sovereign nation, but her people also consider themselves members of the British Empire. Thus, as Professor Wrong demonstrates, Canada fully deserves her place as a separate national entity, but her position under the crown still gives her added consideration as a part of that stronger British association.

NYONE should be able to read Arthur D. Howard's "Yellowstone Through the Ages" (New York: Columbia University Press, 50 cents) in less than two hours. And the time will be profitably spent, especially for those who will vacation in this national park.

This short account is the biography of Yellowstone, a story which covers half a billion years. Geologists, of course, think in numbers almost as large as those employed by astronomers. So with their modern discoveries and scientific researches, they have been able to reconstruct the events which occurred to produce the Yellowstone region in the distant past; then, to carry the story on through the different eras, such as the age of volcanism and the age of glaciers.

This is the way in which Dr. Howard shows how Yellowstone grew from a low plain, undistinguished by geysers, lakes and waterfalls, deep canyons and lofty mountains, to the famous vacationland with all these attractions today. His account is thoroughly scientific, yet streamlined for popular reading.

FROM the United States Office of Education come further reports that new forums and discussion groups are being organized everywhere. Because the Office of Education has offered a great deal of aid to these projects, it has constantly sought new ways to expand this help as the early groups have grown and newer ones have appeared. One of their latest and most valuable publications is an index, "Public Affairs Pamphlets," which lists scores of inexpensive publications on social, economic, political, and international affairs. Some of the pamphlets are free, while those with prices attached fall mostly in the small-change class. They come from the presses of both private and government organizations, so the discussion chairman can select material written by publicists of every hue and belief.

A subject index facilitates the search for publications on various topics. Each pamphlet is also listed in a title index. Those who are interested in obtaining "Public Affairs Pamphlets" (Bulletin 1937, No. 3, Supplement No. 1) can do so by sending 10 cents to the Superintendent of Documents, Government Printing Office, Washington, D. C.—J. H. A.



LABOR ARBITRATOR
Robert W. Bruere has been given the task of helping to solve maritime labor's troubles. He was selected by the President to head the new Maritime Labor Board.

Personalities in the News

Prince Fumimaro Konoye

Four years ago Prince Fumimaro Konoye came to these shores bringing dolls as a good-will gesture from the Japanese people. Those who met the young Japanese prince were captivated by his engaging smile and the charm of his manner as well as by the intelligence he showed in so quickly picking up the essence of American traits and customs. As he posed for photographers in his plain Japanese gown with his lap filled with the dolls he had brought, he might have been taken for some play boy who had been lucky enough to have been born into a wealthy family, and sent over here because he could be put to no more useful purpose.



PICTURES, INC.
PRINCE FUMIMARO
KONOYE

The House of Peers for 16 years, he was president of that body for six. In a nation where age is venerated beyond anything except honor, this alone might have seemed surprising. But Prince Konoye did not stop there. Although lacking in any political experience other than that he gained when he accompanied the elder statesman, Prince Saionji, to the Paris Peace Conference in 1919, last year at the age of 45, the prince became premier of Japan. As such, one of the youngest in Japanese history, he has found himself faced with the grim and difficult task of directing affairs at home and attempting to justify Japan's course in China to the Japanese people and, through the foreign office, to the world.

Dr. George Washington Carver

Dr. George Washington Carver, the famous Negro scientist on the staff of Tuskegee Institute, is trying to find a cure for infantile paralysis in peanut oil. The world might be skeptical of Dr. Carver's experiments if his previous record were not so impressive. Since 1925, Dr. Carver has turned out approximately 150 synthetic products from peanuts, including sweet milk, glue, ink, cheese, pickles, shaving lotion, paper, and a dandruff remedy.

Dr. Carver began his work with the peanut in 1925 when the boll weevil destroyed much of the South's principal crop, cotton. He saw then that if more uses could be found for the peanut, which was grown as a minor crop, the South's dependence on cotton would be lessened. His theory has been proved correct, for a 60-million-dollar annual business is based on peanuts in southern states.

The life story of Dr. Carver reads almost like a fairy tale. The 74-year-old scientist was born a slave in Missouri. He took a great interest in books and school; he worked his way through grade and high school in Missouri and Kansas and entered Iowa State College. In six years he earned a master's degree and a place on the faculty. But in 1896 he went to Tuskegee Institute at the request of Booker T. Washington, where he has remained despite offers of much larger salaries. Thomas A. Edison once offered him a huge sum to join the staff of his laboratory, but the old Negro refused to leave Tuskegee. In fact, Dr. Carver takes no money for his discoveries; he contributes all his work to the South and its people.



W. W.
GEORGE WASHINGTON
CARVER

Dueling with Words

Newspaper editors get enough free "information" every day to fill the pages of their papers—although most of it goes to fill their wastebaskets instead. Two of the organizations most energetic in dispensing press releases are the major political parties. Both the Republican and the Democratic National Committees keep a continuous stream of material flowing from their headquarters to the desks of the newspaper editors.

Two men who handle the difficult task of keeping the political parties in the public eye—in a favorable light, of course—are Charles Michelson of the Democrats and Franklyn Waltman, Jr., of the Republicans. Mr. Michelson is the senior in age and in service. He is almost twice as old as his political rival, and he has been the director of public relations for the Democrats since 1929, whereas Mr. Waltman took over his duties just last spring.

Charles Michelson, a small, white-haired, taciturn gentleman, has spent more than 50 years in newspaper offices from coast to coast. He started his journalistic career on the San Francisco *Post*, but the list of papers for which Mr. Michelson has worked includes the San Francisco *Examiner* and *Call*, the Chicago *Examiner* and *American*, the New York *Journal*, *American*, and *World*. He came to Washington in 1909 as a correspondent for the Chicago *American*, switched to the New York *World* three years later, and stayed with that paper until the Democrats picked him for his present post.

It is generally agreed that Mr. Michelson has done an excellent job. His weekly dispatch, "Dispelling the Fog," is printed in many papers, some of which oppose the Roosevelt administration, because of its entertaining style. It is hard to say just how important Mr. Michelson has been to the success of the New Deal. Rumors have had him writing speeches for cabinet members, senators, and other government officials, including the President. While such stories are no doubt exaggerated, it is a fact that his methods of presenting the New Deal to the American people have done much to win favor for it.

Like his Democratic adversary, Franklyn Waltman is a newspaperman of long experience, although he is only 35. Born and raised in Baltimore, he went to work for the Baltimore *Sun* in 1922. He was introduced to politics while covering state affairs for the *Sun*, and then came to Washington as that paper's correspondent. In 1933 he joined the staff of the Washington *Post*, for which he wrote until the Republicans selected him to take over their publicity.

He has a hard job before him. Political observers say that the Republicans have suffered tremendously from clumsy public relations. Their publicity has been ill timed, poorly advised, and lacking in appeal. This was especially noticeable during the last campaign. Mr. Waltman is expected to make great improvements. While with the *Post*, he proved himself a keen critic of the Roosevelt administration. A few weeks ago he inaugurated a weekly column, similar to Mr. Michelson's, which he calls "Looking Forward." It has received much favorable comment; several papers are running the two articles side by side every week, so that their readers may get the official views of both parties on current affairs.



CHARLES MICHELSON



COURTESY HARPERS WEEKLY (CULVER SERVICE)
HEADED FOR AMERICA
During the nineteenth century, thousands of Europeans left their native lands to make homes for themselves in the United States.

Historical Backgrounds

By David S. Muzey and Paul D. Miller

Population Trends, Past and Future

THAT the population of the United States will, within the next half century, reach a level where it will either remain stationary or actually decline is now accepted as an inevitable fact. The trend in that direction is even now unmistakable. Certain of the possible consequences of this tapering off in the rate of population increase are discussed elsewhere in this issue of THE AMERICAN OBSERVER. Nothing which might happen is likely to have a more profound effect upon the character of future American civilization.

Past Growth

The rapid increase in population during the last century and a half is one of the great phenomena of modern times. It is frequently mistakenly assumed that the steady increase which we have experienced during that period has been constant since the beginning of time. But, as Henry Pratt Fairchild points out in a thoughtful article in a recent issue of *Harpers*, the growth of the last 150 years has been an abnormal, rather than a normal, development. "It remains clear," he writes, "that the population of the world up to a century and a half ago was much more nearly stationary than we are inclined to suppose." Mr. Fairchild figures that until 1800, the net increase to the total world population was in the neighborhood of only 750 persons a year. He continues as follows:

And then suddenly something happened. From the 750 million total of 1800, the population of the world sprang to nearly 1,700 million in 1900. It stands at about two billion today. In brief, during the nineteenth century humanity added much more to its total volume than it had been able to pile up during the previous million years, and in 150 years it nearly trebled the number. These are the most amazing figures in the whole gallery of statistical pictures. Their essential significance is actually incomprehensible. We are blind to it only because the habituation of our own individual lifetimes causes us to regard as "natural" or "normal" that which is really absolutely unique in human experience.

There were two main causes for this sudden spurt in the rate of population increase. The two worked hand in hand to make possible the trend which we have witnessed. The first of these was the commercial and industrial revolution which, in the words of Mr. Fairchild, "forced the globe to render far more subsistence to man than it had offered naturally." The second cause contributing to the expansion of population was the opening of the great undeveloped regions of the earth's surface to human habitation. The Western Hemisphere became a fertile

terrain for exploitation and habitation. Thus it was that at about the beginning of the last century, conditions were propitious for a dynamic society and an unprecedented growth in population. Technological discoveries and improvements made it possible to provide larger quantities of economic goods to support a larger number of individuals. And the opening up of such lands as America to inhabitants of nations with low standards of living worked hand in hand with the new technology. With these revolutionary developments, it was inevitable that a new era in population growth should be inaugurated.

Between the first census taken in this country, in 1790, and the last one, in 1930, the population of the United States increased 31 fold—from four million souls to 123 million.

A considerable part of this increase was directly induced by the immigration policy of the American government; a loose policy which encouraged people from every land to flock to the new world. Few nations had ever offered such opportunities.

Effects of Immigration

The great period of immigration to this country opened in 1820 and continued for a century. In 1820, the total number of immigrants was but 8,000, whereas in 1907 1,300,000 arrived. For the decade 1870-1880 the total number was nearly three million. Between 1900 and 1910, some 10 million immigrants came to the United States. It was in 1921 that the American government took drastic action to limit the number of foreigners who might take up residence here, and now the number which may annually enter the country is about 150,000. As a matter of fact, during recent years more emigrants have left the United States than immigrants have arrived.

Few would deny that the new immigration policy of the federal government is bound to have a far-reaching effect upon future population trends in this country. Moreover, it will vitally affect the character of American civilization in the future. American society may be expected to be more static in the future than it has been in the past. America will likely become less a "melting pot" of diverse cultures and may be expected to develop a more unique culture of its own.



DAVID S. MUZZEY

Stock Exchange and the Government

NOT only New York financiers, but Washington and the rest of the country as well, breathed sighs of relief late last month when prices of securities on the New York Stock Exchange halted their steady downward plunge and began to climb swiftly. Scenes reminiscent of the gay twenties were to be observed throughout the narrow canyons of New York's financial district. Hundreds of thousands of shares of stock changed hands, prices on the ticker tape climbed steadily, brokers smiled and tore up lists of employees slated for discharge because of slack business, and called back others who had already been dismissed. In the towering structures over Wall, Broad, and Nassau Streets, lights burned far into the night. Newspapers all over the country carried banner headlines. Wall Street, a stagnant market, was once more showing signs of life at a time when such signs were urgently needed.

The Stock Market

Less spectacular, but fully as important, is the new lease on life which the Stock Exchange has taken in reorganizing itself from a private club into a recognized public institution. The Stock Exchange is cleaning house, and has dropped, for the time being at least, its long and bitter war against the federal government to offer cooperation instead. Prospects are brighter than they have been for a long time, and both Washington and Wall Street are well pleased.

Much has been written and spoken about the New York Stock Exchange. Much more has been whispered and rumored. It has been overpraised by some, and overblamed by others. But whatever its merits or demerits, one salient fact does stand out—in a capitalist society a stock exchange occupies a very important place in the economic life of the nation.

A stock exchange, as its name implies, is an auction market upon which securities are bought and sold. As long as it functions smoothly, anyone holding so little as a single share of stock is assured that he can dispose of it quickly and easily at the market price. He takes the share to his broker who wires an order to New York. A little later the stock has been sold and the proceeds (less a small deduction



HUNDREDS OF THOUSANDS OF SHARES ARE TRADED EVERY DAY ON THE FLOOR OF THE NEW YORK STOCK EXCHANGE

ACME

Under such conditions it is doubtful that many people would invest their money in securities of any sort, since each man wants to know that the papers he holds in his strongbox today can readily be turned into cash tomorrow. American industry, unable to raise capital, would probably have to resort to banks and come entirely under banker domination.

Vast Enterprise

Thus it will be seen that American investors and industry need this institution, and this need is demonstrated by the enormous volume of stocks that are traded on its floor every day. On the dullest days when transactions bring no more than a bored yawn from a New York broker, it is seldom that less than a quarter of a million shares are bought and sold. On active days about a million shares change hands. During the sudden decline in prices last November, 7,000,000 shares were sold in a single day. It was the great panic of 1929 that set the all-time record of 16,000,000 shares in one day! There are, to be sure, other exchanges in Boston, Philadelphia, Cleveland, Chicago, and San Francisco, but they do not begin to approach the New York Exchange in the volume of shares traded. Rather, they tend to follow the pace set in New York which, being on eastern time, opens earlier than do the western exchanges.

But there is another side to the history of the New York Stock Exchange. Since its organization 150 years ago, it has been operated as a private and exclusive club, by and for members only, and there is much about the Exchange that bears out this statement. In a district where skyscrapers are the rule, the Exchange is of modest height, its doorway unpretentious and its facade more akin to a Greek temple than to a great market. Inside—other than on the floor where trading is done and in the nearby telegraph rooms where there is always a certain amount of bustle—the building is quiet and clublike. The officers' rooms, and those where various committees meet are softened by thick rugs, furnished with easy chairs, tables with polished tops, and a great profusion of ash trays. The men seen wandering in and out give the impression of being well fed, well groomed, and well pleased with their lot in life. In the inner sanctums it is very quiet, and if there were a panic going on upstairs on the floor one would never know it.

Like a club, the Exchange, until recently, has never paid its officers, and is governed by various committees such as the Governing Committee (generally called the Big Board), the Committee on Stock Lists, the Committee on Admissions, Finance,

Publicity, and so on. Membership is limited, and new members, who can gain admission only if there is a vacancy, discover that a "seat" is costly, the price having at times soared to the third-of-a-million mark. As a club, the Exchange is the most powerful in this country.

That has been precisely the objection that many liberals have made. They say that the New York Exchange should be a quasi-public institution, and that it has too long been operated solely for the benefit of its members. There has been too much of what for clarity's sake we will call manipulation. Groups of members have too often banded together in "pools" to drive the prices of certain stocks up or down at a profit to themselves if at a loss to thousands of investors. Another evil of the Exchange has been the "margin accounts" wherein so many people have come to grief by putting up a fraction of the value of stocks and buying them "on margin" with the result that when prices broke they were wiped out. All in all there has been too much speculation and gambling upon a market the prime function of which should be investment.

The SEC

In Washington, 225 miles away, 90 minutes by plane and 220 minutes by the fastest train, stands another unpretentious building, cramped and uncomfortable, and housing the Securities and Exchange Commission which was set up under the Securities Act of 1933, among other things, to keep a watch over the New York Stock Exchange and to prevent irregular speculative practices. Many of these practices were brought to light by the Senate investigation, the outstanding figure of which was Ferdinand (now Justice) Pecora. The findings involved not only a few shady individuals long suspected, but many of the highest figures in New York financial circles.

Although feelings between the two bodies are relatively cordial now, they have not always been so. Until this spring the story of the relations between the SEC and the Exchange's Big Board has been one of constant strife. The Big Board, led by its then president, Richard Whitney, fought tooth and nail every effort of the SEC to regulate stock trading under the Act of 1933, and subsequent acts of 1934 and 1935. Every time stocks dropped in value the Big Board placed the blame on federal regulation. The SEC blamed the speculative activities of members of the Exchange. But the SEC gained steadily, point by point, both in and out of the courts.

The SEC was aided immeasurably in its fight by a split within New York financial

circles. A few groups of liberal brokers headed by E. A. Pierce and Paul Shields became so dissatisfied with the antigovernment policies of Richard Whitney and his followers that they espoused—to a certain extent—the cause of the New Dealers. The liberal brokers felt that Whitney was going so far that the Exchange might be all but taken over by the government if cooperation were not forthcoming. The war reached its climax last November when stock prices plunged suddenly and Exchange heads promptly placed the blame on government regulation again. The SEC sharply replied that certain Exchange speculators had been dumping large blocks of shares on the market. Then, according to reports, SEC Chairman William O. Douglas, a vigorous New Dealer, struck a menacing note and told Exchange heads that if they did not clean house, the government was going to come in and clean it for them.

The Whitney Case

No one quite knows where this would have ended were it not for the fact that Mr. Richard Whitney found himself in financial difficulties and went bankrupt after having appropriated money which was not his. Subsequently he was sent to jail and his forces, having been discredited, collapsed.

With the Whitney forces defeated, the way was cleared for an era of cooperation between the Exchange and the SEC. The former has agreed to cooperate in bringing an end to reprehensible speculative practices and in bringing about a broader and more democratic rule within the Exchange. The SEC, for its part, has indicated that it is willing to sit back and rest for a while and let the Exchange work out its own problems.

One of the most spectacular of the reorganization features has been the recent appointment of William Martin, Jr. as president of the Exchange. Mr. Martin, a St. Louis broker, is only 31 years old, or about half the age of most Exchange members. Industrious and possessed of a keen financial mind, he is said to have the full approval of SEC Chairman Douglas with whom he enjoys cordial relations. His appointment came as a surprise to many members. Hitherto Mr. Martin had been almost equally renowned as a crack tennis player and a young broker who successfully handled big accounts. As a member of the liberal group within Exchange circles, he believed that one of the first things to be done was to end the feud with the federal government and make peace with the SEC. This he promptly did. Both sides hope the feud is ended.



WILLIAM O. DOUGLAS, CHAIRMAN OF THE SECURITIES AND EXCHANGE COMMISSION

for the broker's fee) turned over to the seller. As long as people are thus assured they can buy and sell stocks quickly and easily and at the market price, they will buy stocks and hold them. As long as they continue to do that, American industry is assured that it will have a steady flow of capital upon which to expand and operate its plant.

If, on the other hand, there were no great central exchange, confusion would soon threaten all stocks. Ordinary citizens, holding small amounts of stocks or bonds, would have great difficulty in ascertaining their market value. They would have even more difficulty in finding a buyer who would pay a fair price, and the whole business of buying and selling would become cumbersome, costly, and impossibly slow.

Problems of a Changing Population

(Concluded from page 1)

of unemployed workers represent a tragic, obvious waste of human resources. Potential contributions to the common good are left unrealized, and individual development and happiness are impaired. The need is for economic adjustment that will stabilize economic development in relation to long-time trends. The actual mechanisms for accomplishing this purpose involve problems in the field of economics beyond the scope of this report. Sound distribution of population, healthy reproduction trends, and opportunities for individual development depend on the establishment of a more adaptable and progressive economy."

Problems Raised

What, specifically, are some of the problems which must be considered? In the first place, our economic system is geared to an increasing demand caused by an increasing number of people. All through the last century, big families were commonplace; the average married couple of pioneer days had eight children. Then, too, there were thousands of immigrants coming into the United States every year. More people meant constantly growing markets for farmers and manufacturers. More wheat, more cattle, more clothing, more shoes, more tools, more furniture, more

lumber industry. But the forests have been exhausted; the men had to turn to other jobs. Many of them tried farming, but they have found that the land is not suited to agriculture, and they are able to eke out only a subsistence, if that. The "dust bowl" of the Great Plains provides another good illustration of regional overpopulation. The farmers who rushed into that land to grow wheat have found that it will not support them year after year. There are sections of the South which have been ruined by too intensive cultivation; they cannot support the people who are trying to live on them.

There are two general solutions to this problem. Either part of the population can be moved to more fertile lands, or new occupations can be found. Both have been tried to some extent. There has been a tremendous amount of migration within the United States—first the westward movement to farms and mines, then the cityward movement to industrial jobs, which brought many thousands back to the East. All this migration was an attempt to adjust the population to economic opportunities, but it has been only partially successful. The South, especially, is trying to counteract its overpopulation by developing industries to replace agriculture, and thus far has been rather successful.

The Committee has several suggestions to offer regarding this phase of the population problem. "Free movement of workers from agricultural areas of limited opportunities should be encouraged, through the United States Employment Service and other agencies, in the interest of a higher average level of living for families now suffering from chronic poverty. . . . Governmental purchase of lands unsuited to agriculture, and the diversion of such lands to forestry, recreation, and other conservational uses, . . . the development of new enterprises, including diversified types of agricultural production," are mentioned.

Restrictions on immigration should be continued, says the report. "So long as there is a large surplus of population in some rural areas in this country, it seems unnecessary and inadvisable to encourage the immigration of persons initially equipped for unskilled rather than for technical production," says the Committee. In other words, it is better for the nation to see that all its own people have an opportunity to make a good living before it invites others to come here.

Changed Age Groups

There will certainly be more old and middle-aged persons in the United States, in proportion to the total population, in the future. In 1900, for every 100 persons between 20 and 60 years of age, there were 90 boys and girls under 20, and 13 men and women over 60. Now, for every 100 between 20 and 60, there are only 68 boys and girls but 17 persons past the 60-year mark. By 1975, predicts the report, that ratio will have changed to 48 and 34. The problems of older people, then, will loom more conspicuously on the national scene.

And their problems are, as a rule, more serious than those of younger persons. If a man past middle age is thrown out of work, he finds it harder to get another job than does a young man—employers prefer to hire younger people. And if he does hold a job until old age makes it impossible for him to work any longer, he is an exception if he has saved enough money to support himself. In all too many cases, he must depend on his children or the government. To meet these problems, the Committee recommends that "attention should be given to improving opportunities for conditions of employment of older workers not ready for retirement," and

also, the nation should pay more attention to insurance, pension plans, and old-age benefit arrangements.

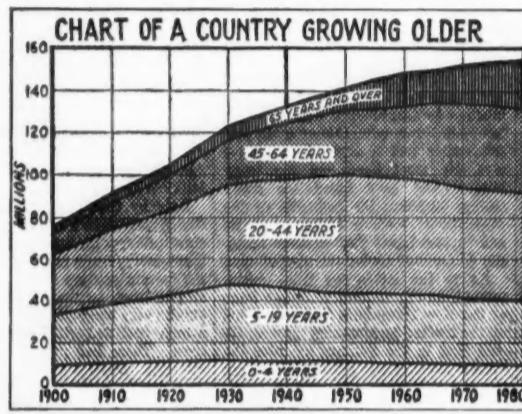
The problems of older people are not entirely economic. "Vigor and contentment in old age rest on the foundations of good health and intellectual vitality in youth," states the report. So the Committee went into the fields of health and education to see what the nation is doing and what it might do for its people. It found, in brief, that our health standards have been greatly improved during the past 30 or 40 years. The death toll from many diseases has been reduced; the span of a normal life has been lengthened to a considerable extent.

But there is much more that could and should be done. It is estimated that if all persons in the United States had access to the medical care which is now available to the well-to-do, deaths would be reduced 400,000 a year. The Committee believes that some method must be found to make such care available to all; it mentions the success of "attempts to insure medical, surgical, and hospital care of individuals through organized group services." It emphasizes the need for renewed attacks on malaria, typhoid, the common cold, and venereal diseases, and says that particular attention should be paid to mental ills.

Effect on Education

In regard to education, the Committee found that there is a great inequality of opportunity within the country. In those areas which have the most children, schools are frequently the poorest because the families are in the lower-income groups. Rural schools, in particular, need improvement. The report recommends that "there is a need for the coordination, critical interpretation, and dissemination to the whole country of the results of significant advances in education research and administration," and that the United States Office of Education be given the job.

The changing population trends will, of course, have a great effect on the schools. While the number of children in school



COURTESY NATL. RESOURCES COM.
THE INCREASE—PAST AND ESTIMATED—OF MIDDLE-AGED AND OLDER PEOPLE IN THE UNITED STATES' TOTAL POPULATION

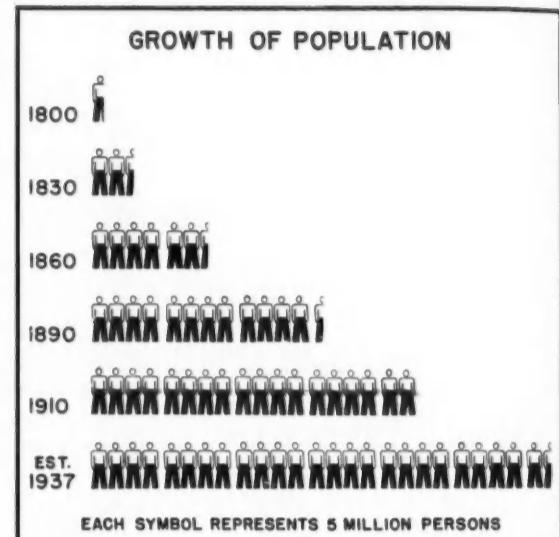
everything had to be turned out to supply the needs of an increasing populace.

All that is changing. Once the population reaches a peak, agriculture and industry must find a larger market by selling more to each person who is already here. "There is certainly ample opportunity," says the report, "for the improvement of levels of living among large population groups in the United States." In other words, each one of us can well use more food, more clothing, better living quarters, more entertainment and recreational facilities, more medical attention, more of all the products which it is possible for the nation to produce. The task, then, is to adjust the productive and distributive machinery so that each person will have an income sufficiently large to buy more than he buys at present.

Some countries have poverty and low standards of living for the simple reason that there are more people living in them than the natural resources can support—for example, China, Japan, Java, Egypt, and Puerto Rico. The United States is not faced with that situation. This country can easily provide the estimated maximum population with a good living. When it fails to do so—as when the great industrial areas have thousands of unemployed—it is because of an imperfect economic system rather than an oversupply of people. As the report states it, "The parts (the people, machinery, and resources) are all there, but they are badly adjusted and the machinery will not run."

Regional Overpopulation

But there are regions of the United States in which there is an actual overpopulation. For instance, the Great Lakes territory in Wisconsin, Michigan, and Minnesota once gave work to thousands of men in the



HOW THE POPULATION OF THE UNITED STATES GREW FROM 1800 TO 1937
JOHNSON

will undoubtedly continue to increase for many years, educators may plan definitely for the time when they will have a stable enrollment year after year.

The unequal distribution of children between poor families and well-to-do families was touched upon by the Committee. Such a condition is bad, says the report, because it places the burden of caring for a majority of the nation's children on the families least able to bear it. As things now stand, a disproportionately large number of children of each generation are subjected to the "blighting effects of poverty." The Committee hesitated to make any recommendations concerning this situation; instead, it said that more extensive scientific study is needed of the "physical and mental characteristics influencing health and personality."

"The future growth of cities," says another part of the report, "will be much slower and more uncertain than in the past." Cities will tend to expand in area rather than in population; as transportation facilities improve, the residential districts will spread out and the business sections will break up into smaller units. This slowing-down of the mushroom growth of cities is expected to have a beneficial result. City government should improve, it is claimed, and cities should be able to plan their development to avoid traffic problems, overcrowding, and cheaply built homes and business buildings.

Smiles

Timid Husband: "If you and your mother keep on nagging, you're going to bring out—ah—the animal in me."

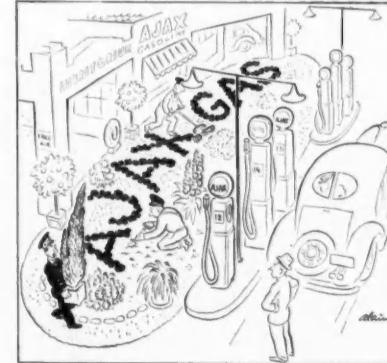
Sarcastic Wife: "Then we'd better be careful. We're scared to death of mice!"

—Halifax HERALD

Visitor: "If your mother gave you a large apple and a small one and told you to divide with your brother, which apple would you give him?"

Johnny: "D'y'e mean my big brother or my little one?"

—Atlanta Two BELLS



"I'M SORRY. OUR LANDSCAPING DOESN'T GIVE US TIME FOR ANYTHING ELSE."
ALAIN IN COLLIER'S

We must give Hollywood credit for some ingenuity. No matter how many times a plot is used, the picture is given a different title each time.

—SELECTED

Junior (in presence of visitors): "Daddy, will you please give me a dime?"

Daddy (with forced smile): "Certainly, Junior, here you are."

Junior: "This time you won't make me give it back after the company's gone, will you, Daddy?"

—SELECTED

Judge: "The next person who interrupts the proceedings in this court will be sent home."

Prisoner: "Hip, hip, hooray, Judge."

—SELECTED

An American businessman has bequeathed two factories to one of his younger sons. We presume this is what is technically known as "giving him the works."

—PUNCH

A very modern employer has ordered the following notice to be posted in his business premises:

"Any workman desiring to attend the funeral of a near relative must notify the foreman before ten a.m. on the day of the game."

—SELECTED

For men who are lazy about tending to the lawn in the summer here's a warning: Give dandelions an inch and they'll take a yard.

—SELECTED